Global Tender Notice for Bank Note Papers

5451. SHRI ANANT RAM JAISWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government received any information in the 2nd week of April, 1994 regarding certain loopholes in the global tender notice 108/94 dated 25th January, 1994 for supply of Cylinder Mould Vat made Watermarked Bank note Paper floated by Currency Note Press Nashik;

(b) if so, whether any suggestions have been made therein for plugging the loopholes; and

(c) what steps Government have taken or propose to take in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) to (c) A complaint was received in the 2nd week of April, 1994 regarding existence of certain loopholes in the global tender floated by the Currency Note Press, Nashik for the supply of Cylinder Mould Vat made Watermarked Bank Note Paper. However, on examination, the same was found to be incorrect.

Wealth Tax on Agriculture Land and Farm Houses

5452. SHRI BHUPINDER SINGH MANN : Will the Minister of FINANCE be pleased to state :

(a) since when the wealth tax on agricultural land and farmhouses has been reimposed;

(b) whether it is a fact that the late Prime Minister Mrs. Indira Gandhi, abolished this tax as it was not justified;

(c) if so, what are the reasons and conditions of reimposition of wealth tax on agricultural land and farm-house in Punjab;

(d) what are the reasons of rescinding the decisions made by late Smt. Indira Gandhi; and

(e) whether Government propose to abolish this tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) The Finance Act, 1992 has specified six assets which are exigible to wealth-tax, one of these being any guest house and any residential house [Including a farm house situated within twenty-five kilometres from the local limits of any municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee or by any other name) or a cantonment board]. However, agricultural land is not one of the specified assets.

(b) Wealth-tax was never abolished by late Prime Minister Smt. Indira Gandhi.

(c) and (d) In view of the answer to part (b), question does not arise.

(e) No, Sir.

Financial Irregularities Committed by ITC

5453. SHRI CHIMANBHAI MEHTA : Will the Minister of FINANCE be pleased to state :

(a) whether Goverment's attention has been drawn to a news-item published in the 'Observer of 3rd March, 1994' highlighting I.T.Cs strong bid to take over Kerala based Lord Krishna Bank, now being controlled by the Pai Group of Companies;

(b) whether Government are aware of various financial irregularities being committed by I.T.C. group, including tax evasion, excise duties evasion and criminal cases against almost all its directors;

(c) if so, whether Government still propose to permit I.T.C. of such dubious reputation, to operate various types of financial business like banking, mutual fund, insurance, etc. in the country; and

(d) if so, what are Government's compulsions in taking such a decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) Yes, Sir.

(b) The information is being collected and will be laid on the Table of the House.

(c) and (d) Reserve Bank of India have received an application from ITC Classic Finance Ltd., a non-banking financial company promoted by ITC Group for a licence to commence banking business. The application is under process.

Restructuring of U.T.I.

5454. SHRI V. GOPALSAMY: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to bring about any major changes in organisational structure of Unit Trust of India;

(b) if so, details of each change;

(c) by when these changes would be introduced; and

(d) whether any steps are being taken to protect the interests of unit holders; and if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) No, Sir. At present, there is no proposal under the consideration of the Government to bring about any major changes in the organisational structure of the Unit Trust of India (UTI).

(b) and (c) Do not arise.

(d) Government have decided to bring UTI under the regulatory framework of Securities and Exchange Board of India (SEBI) and have written to SEBI accordingly. This is expected to result in better investor protection.

Foreign Exchange Inflow

5455. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that a massive amount of foreign exchange has flowed into the country through capital market related investments after presentation of the Union Budget for 1994-95;

(b) if so, what are the details thereof; and

(c) what action Government have taken to keep up the tempo in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) and (b) It is provisionally estimated that during March 1994 an amount of US $ 606 million has flowed in on account of capital Market related investments. Of this, $ 94 million represents Direct Foreign Investment, $ 106 million represents foreign institutional investment, $ 269 million represents Euro equity and $ 137 million represents convertible bonds.

(c) By adopting various market reform measures on an ongoing basis Government endeavours to offer a congenial climate facilitating further foreign investments.

Racket of Fake Excise Labels

5456. SHRI S.S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that recently a racket involving printing and supplying fake excise labels to various industries in various parts of the country has been busted;

(b) if so, what are the details thereof;

(c) what action Government have taken in the matter; and

(d) what action Government propose to take to prevent the use of fake excise labels by industries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) There are no excise lables except for matches where duty is paid by affixing central excise stamps, commonly called bande-rols. No case has been detected involving fake central excise stamps.

(d) Strict vigil is kept by Central Excise authorities to prevent the evasion of excise duty in any such way. Action is taken under the provisions of Central Excises & Salt Act, 1944 and rules made thereunder against the evaders of the duty.

Introduction of New Gold Bond Scheme

5457. DR. BAPU KALDATE: Will the